CHAPTER 1.—GENERAL PRINCIPLES AND RULES.

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Receipt of Money.

1. All transactions, to which any officer of Government in his official capacity is a party, must, without any reservation, be brought to account, and under Treasury Order 7 all moneys received should be paid in full, without undue delay into a treasury or into the Bank, to be credited to the appropriate account and made part of the general treasury balance. The appropriation of departmental receipts to departmental expenditure, except when specially authorised is strictly prohibited.

With the sanction of the Governor General in Council under Treasury Order 7, this rule is relaxed—

(*a*) in the case of the Posts and Telegraphs Department, to the extent provided in Article 1 of the Posts and Telegraphs Initial Account Code, Volume I, General Account Code ;

(*b*) in regard to moneys received on account of the service of summonses, diet-money of witnesses, etc., in Civil, Revenue and Criminal cases ;

(*c*) in the case of Government servants appointed Notaries Public under Act 26 of 1881, who are allowed to defray all legal expenses, incurred by them in the discharge of their duties as such Notaries Public, out of the fees received by them, the balance only being credited to Government ; they will note in the credit slip the full amount of the fees received and, *per contra*, the expenses disbursed therefrom ;

(*d*) in the case of the Public Works Department to permit the use, under departmental regulations, of cash receipts temporarily (*i*) for current works expenditure and (*ii*) in very exceptional cases, for disbursement of pay and travelling allowance where this course has been authorised by the Accountant General with a view to prevent any abnormal delays in payment ;

(*e*) in the case of the Imperial Library at Calcutta, to permit the replacement of books belonging to the Library, which are not returned by borrowers, out of their deposit money ;

(*f*) in regard to cash found on the persons of prisoners at the time of their admission to jail, for the repayment by Jail Superintendent under departmental regulations of similar sums due to other prisoners on their release ; and

(*g*) in cases covered by the rules in other articles of this Code or by the rules in other authorised codes.

2. Departmental receipts may ordinarily be realised in legal tender coin or currency notes only. Government currency notes of the denominations of Re. 1, Rs. 2½, 5, 10, 50, and 100, which are designated universal currency notes may be received by all Government officers in payment of Government dues or in settlement of other transactions, irrespective of the circles from which the notes may have been issued; but notes of higher denominations can be received only within the limits of the circle of issue to which the notes belong. Currency notes of the denomination of Rs. 20 which are already in circulation should be treated by Government officers like universal notes.

1. For the acceptance of cheques on local banks see Article 6.

3. Officers of Government receiving money on behalf of Government must give the payer a receipt.

4. No department may require that funds pertaining to it be kept apart from the general treasury balance, or be received for safe custody and kept out of account or be received at all except under ordinary rules.

1. If, for special reasons, Government or Collectors of Districts when so empowered direct the cash chest of another department to be lodged in the treasury for safe custody, the fact should be reported for the information of the Accountant General, and a register kept in the treasury, in which the receipt and return of the chest should be duly acknowledged; the key or keys of the chest must not be kept by the treasury.

NOTE.—Local Governments may delegate to the Collectors of Districts the power to authorise the deposit of cash chests of other Government Departments in the treasury for safe custody subject to the condition that the Accountant General will bring to notice of the local Governments any case in which the permission appears to have been improperly granted.

2. Bullion, jewellery and other valuables coming into the hands of a Government officer in his official capacity may be received in the treasury for safe custody at the discretion of the District Officer.

5. Any person paying money into a Government treasury will present with it a memorandum (chalán), which will show distinctly the nature of the payment and the person or officer on whose account it is made, and will thus contain all the information necessary for the preparation of the receipt to be given in exchange. Receipts for sums less than Rs. 500 do not require the signature of the Treasury Officer, but only of the Accountant and the Treasurer, except receipts for cash and cheques (other than pre-audit cheques issued by the Accountant General) paid for service stamps, which should always be signed by the Treasury Officer; see Article 98.

NOTE.—The above rule, in so far as it relates to the signing of receipts for sums of less than Rupees 500 by the Accountant and the Treasurer, does not apply to sub-treasuries in central areas. See Article 270(*b*).

1. Printed forms should be supplied by the treasury, which may, with advantage, be bi-lingual. They should be presented in duplicate; one copy will be returned to the tenderer duly signed as a receipt, and the other retained in the treasury for record.

2. Duplicate chalans are not required when remittances are made to a treasury for obtaining Remittance Transfer Receipts and Sub-Treasury Cash Orders, or when such remittances are accompanied by Remittance and Pass Books in which the Treasury Officer is required to acknowledge receipt of the remittance.

3. In places where the treasury banks with a branch of the Imperial Bank of India, the memorandum must, except when otherwise provided, be presented to the

Treasury Officer, who will enface it with an order to the Bank to receive the money and to grant a receipt.

6. At places where treasury business is conducted by a branch of the Imperial Bank of India, cheques on banks which have clearing accounts with the Imperial Bank will be accepted in payment of Government dues, or in settlement of other transactions. Such cheques must be crossed in all cases. Until, however, a cheque has been cleared the Government cannot admit that payment has been received and consequently final receipts will not be granted when a cheque is tendered. A receipt for the actual cheque only will be given in the first instance, but if the person making payment in this manner so desires, a formal payment receipt will be sent by post to his address after the cheque has been cleared.

1. In the event of such a cheque being dishonoured by the bank concerned on presentation, the fact will be intimated at once to the tenderer, but Government cannot accept any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque has been dishonoured.

2. Certain special arrangements will be necessary when Government dues which have to be paid by certain fixed dates are paid by cheque, and persons desiring to make such payments in this manner without risk must take precautions to ensure that their cheques reach the treasury at the latest on the day before the date on which the payment is to be made. Cheques received on the last day of payment of Government dues will be liable to be refused, and those received later will not be accepted.

Check of Receipts.

7. It is ordinarily the duty of the Revenue Department concerned and not of the Audit Department, to see that the dues of Government are regularly paid into the treasury. Detailed rules are given in Chapter 2.

Payment of Money at a Treasury.

8. (*a*) A Treasury Officer has no general authority to deal with demands presented at the treasury, his authority to make payments being strictly limited by the provisions of Treasury Orders 15 to 24, or the rules in the Civil Account Code and the Government Securities Manual. If a demand of any kind is presented at a treasury which is not provided for by the rules referred to above, or is not covered by a special order received from the Account Office, the duty of the Treasury Officer is to decline payment for want of authority. A Treasury Officer has no authority to act under an order of Government sanctioning a payment, unless it is an express order to *him* to make the payment ; and even such special orders should, in the absence of urgency, be sent through the Accountant General.

1. Grants-in-aid to local bodies, religious, charitable or educational institutions, etc., contributions to public exhibitions and fairs, and compensation to Government servants for accidental losses, etc., sanctioned by the local Government should be dsbursed at the treasury only under the authority of the Prncipal Auditor, but when such expenditure is sanctioned by subordinate authorities under the powers delegated to them, the Treasury Officer may make disbursements on the authority of such sanctions.

2. Educational scholarships sanctioned by Local Governments under the audit of the Accountant General, Central Revenues, may be disbursed by the Treasury Officer without specific authority from the Accountant General.

NOTE.—The rule in clause (*a*) above does not authorise the Treasury Officer to refuse payment of bills which do not comply with the provisions of certain articles of this Code, requiring that sanctions to certain specified charges should be quoted on the bills [*e.g.*, Article 13 (i), Article 64, so far as it relates to temporary establishments, and Article 102], when the omission to comply with these provisions is due to the fact that the necessary sanction has not been obtained. The responsibility for incurring such unsanctioned charges rests with the drawing officer, and the Treasury Officer is not empowered to refuse the payment of such bills on the ground that the charges have not been sanctioned.

(*b*) No claim against Government not preferred within six months of its becoming due can be paid without the sanction of the Accountant General ; but this rule does not apply to claims of Rs. 5 and less which are preferred within one year of their becoming due, payments made by Forest disbursing officers, payments made to tribes on the North-West Frontier, and disbursements from the distant treasuries in the North-West Frontier Province, nor does it apply to payment of claims on account of pensions, which are governed by special rules in the Civil Service Regulations.

NOTE.—Claims of Government against Railways for overcharges and claims of Railways against Government Departments for undercharges will be recognised and admitted if the claims are preferred within six months :—

(*a*) in the case of cash payments—from the date of payment ;

(*b*) in the case of warrants and credit notes—from the date of presentation of bill by the Railway Administration.

The Railways named in Annexure A to this chapter have agreed to the adoption of the above rules.

(*c*) Claims of officers, whether gazetted or not, to arrears of pay or allowances or to increments which have been allowed to remain in abeyance for a period exceeding one year, cannot be investigated by an Accountant General except under the special orders of the local Government.

NOTE 1.—This power is also exercised by the several Departments of the Government of India in respect of any Department directly administered by them.

NOTE 2.—Local Governments and the Departments of the Government of India may delegate this power at their discretion to the authority which appoints the officer by whom the claim is made.

NOTE 3.—The Auditor General, the Controller of the Currency, the Deputy Controllers of the Currency, Calcutta and Bombay and the heads of all accounts offices have been authorised under Note 2 above to exercise this power in respect of officers, whether gazetted or not appointed by them. The Mint and Assay Masters have been similarly empowered to investigate claims for arrears of wages preferred by non-gazetted establishments employed under them.

NOTE 4.—Delays in payment are opposed to all rules and are highly inconvenient and objectionable, and when not satisfactorily explained should be brought to the notice of the head of the department concerned.

(*d*) No payments may be made on account of increases to pay until the additional expenditure thereby caused has been provided for in the budget estimates and duly sanctioned.

NOTE.—Periodical increments of pay are not provided for in the budget estimates, and are not increases to pay within the meaning of the above clause.

9. Any person having a claim against Government will present his voucher duly receipted and stamped, at the treasury. Except as provided in Article 57, or as may be arranged locally in special cases,

no bills may be paid at a sub-treasury without being first submitted to, and payment directed by, the Treasury Officer.

1. At places where Government treasury business is conducted by the Imperial Bank of India, all payments, with certain exceptions, are made at the Bank. Supply bills, Remittance Transfer Receipts and cheques are presented direct at the Bank, but other vouchers or bills should first be presented at the treasury, except at Presidency towns and Provincial Capitals, where such vouchers are for the most part submitted to the local Account Office for pre-audit and are paid (unless there is a special request for cash payment or the sum payable does not exceed Rs. 20) by cheques upon the Bank issued by the Accountant General in favour of the payee. Cheques issued on the Imperial Bank of India at out-stations in final payment of General Provident Fund Deposits of a subscriber should always be sent to the Treasury Officer concerned for delivery to the payee after proper identification.

2. Payments which have to be made at sub-treasuries may be arranged for by obtaining Cash Orders issued by the district treasury. The issue of Cash Orders between places at which there are offices of the Imperial Bank of India has been discontinued and the Imperial Bank issues a demand draft in lieu of the Cash Order.

Exception.—The sub-treasuries in Baluchistan are authorised to issue Cash Orders on each other and on the Quetta Suddar Treasury without reference to the latter.

3. Where sub-treasuries have been permitted to cash certain classes of bills without reference to the Treasury Officer, the payment of such bills should not, except under special arrangements and on particular occasions, be allowed at the treasury also.

10. When a person not in the Government service claims payment for work done, service rendered, or articles supplied, the Treasury Officer should require—

(*a*) The submission of the claim by the head of the Department, or other responsible Government officer under whose immediate order the service was done or the equivalent was given for which payment is demanded.

(*b*) Failing the above in cases when it may be necessary to pay the amount of a bill drawn by a person not in the Government service, and also when the authority of the head of the department or responsible officer is insufficient, an order from the Accountant General should be sought, by furnishing that officer with any necessary particulars for obtaining the sanction of Government, should such be needed.

(*c*) And in any event, if a bill be drawn by a person not in the Government service, the Treasury Officer should use special precautions for satisfying himself of the identity of the applicant for payment.

(*d*) In all doubtful cases, the Treasury Officer should take the orders of the Collector, who must be expected to assume the responsibility of his position; and he would doubtless be supported by the Government, if he can show that he has exercised a proper amount of care and discretion in the matter. When this necessity occurs, however, he should immediately report the fact to the Accountant General.

NOTE.—Payments due to contractors may be made to financing banks instead of direct to contractors provided that the Department concerned obtains (1) an authorisation from the contractor in the form of a legally valid document like the power of attorney or transfer deed conferring authority on the bank to receive payment, and (2) the contractor's own acceptance of the correctness of the account made out as being due to him by Government or his signature on the bill or other claim preferred against Government in his behalf, before settlement of the account or claim by payment to the bank. While the receipt given by the bank holding a power of attorney or transfer deed from the contractor constitutes a full and sufficient discharge for the payment, contractors should, wherever possible, be induced to present their bills duly receipted and discharged through their bankers.

10-A. The following transactions of the Central Government will be taken to the nearest anna, six pies and over being treated as one whole

anna and amounts less than six pies being omitted :

(1) Payments to or recoveries from Government servants and pensioners, except as specified below :—

(*a*) In the case of emoluments fixed by statute, the payment may be to the next higher anna.

(*b*) In the case of pies occurring in life insurance premia under the Postal Life Insurance scheme, and in subscriptions to uncovenanted pension funds, such as the Bengal and Madras Service Family Pension Fund, the Bombay Family Pension Fund of Government Servants and the Bengal Uncovenanted Service Family Pension Fund, which are deducted from pay bills, the total sum for twelve months is bound to be an even sum of annas, and every subscriber should be asked to pay to the nearest anna eleven months in the year, the necessary adjustment being made in the last month ; thus, a man who has to pay Rs. 3-5-7 per month may pay Rs. 3-6-0 per month for eleven months and Rs. 3-1-0 in the twelfth month. In the case of the General Provident Fund and the Indian Civil Service Pension Fund deductions will, however, be made in whole rupees.

(*c*) As regards recoveries of amounts under objection, when all amounts of bills are calculated in annas, there cannot be any pies in objection books.

NOTE.—Each *individual item* in a pay and allowance, pension or travelling allowance bill will be taken to the nearest anna.

(2) Accounts rendered by one Government or Department to another.

NOTE.—Pies need not be eliminated in Exchange Accounts between one Government or Department and another if it is not possible to remove them from the original transactions.

(3) Amounts converted into Indian currency from sterling and other foreign currencies.

The same rule should be applied ordinarily to receipts on account of Remittance Transfer Receipts, deposits, and to all receipts other than receipts of revenue which are fixed by or under any law.

Provincial Governments may adopt these rules, if they so desire, to govern the same classes of provincial transactions.

11. (1) Receipts for all sums exceeding Rs. 20 must be stamped ; but the following are exempt :—

(*a*) Receipts given by, or on behalf of, Government.

(*b*) Receipts on cheques.

(*c*) Receipts for interest on Government securities.

(*d*) Receipts for withdrawals from Government Savings Banks.

(*e*) Receipts on Postal Money Orders.

(*f*) Receipts given by a Railway or an Inland Steamer Company for payments made to it on account of freight and fares

and for incidental charges such as loading, unloading, delivery, cranage, haulage, wharfage, demurrage, etc.

(*g*) Receipts for pay and allowances of non-commissioned officers and soldiers of His Majesty's or the Indian Army and those of the Irregular Corps in Baluchistan when serving in such capacity or for their pensions, in respect of service as such non-commissioned officers or soldiers when they are not serving the Government in any other capacity.

(*h*) Receipts for pensions and allowances paid by Government to the heirs of deceased non-commissioned officers or soldiers in respect of service in His Majesty's Army or in His Majesty's Indian Army.

(*i*) Receipts for any payment of money without consideration, such as receipts for Grant-in-Aid bills, and for fees paid to Barristers-at-Law.

(*j*) Receipt given by an opium cultivator or his representative or by a *lambardar* or *khattadar* for money paid to him by Government as an advance for the cultivation of opium.

(*k*) Receipt for advances made by Government under the Agriculturists' Loans Act, 1884 (Act XII of 1884).

(*l*) Receipts for payments made by or on behalf of Government in Indian States.

(*m*) Receipts for payments made on account of discharges of Post Office 5-year Cash Certificates.

(*n*) Receipts given by or on behalf of any society registered under the Co-operative Societies Act or by any officer or member of any such society and relating to the business of the society.

(*o*) Receipts given by the officers of the Indian Posts and Telegraphs Department in respect of sums paid to them by Government as advances for the purchase of railway tickets.

NOTE.—Cash memoranda issued by tradesmen for sales against cash payment are not treated as receipts within the meaning of Section 2 (23) of the Indian Stamp Act (II of 1899) and need not be stamped even if the amount exceeds Rs. 20, unless they contain an acknowledgment of the receipt of money from the purchaser as named therein of the price of the articles sold.

(2) All cheques, Remittance Transfer Receipts and Supply bills, are exempt from stamp duty.

(3) (See also the list of exemptions in Schedule 1 of the Stamp Act.)

12. The following documents do not come under any of the exemptions mentioned above, but are chargeable with stamp duty under the general rules :—

(*a*) Receipts [other than the receipts mentioned in Article 11 (1) (*f*)], drawn by a Railway Company, including a Company to which a State Railway has been leased, or by a Municipality.

NOTE.—This rule applies also to receipts drawn for claims, the adjustment of which may be made through account current.

(*b*) Receipts signed by a Government officer as Chairman of a Municipality.

(*c*) Receipts [other than those mentioned in Article 11 (1) (*i*)] drawn on account of Cantonment and other Local Funds.

(*d*) Receipts for advances taken by Government officers, other than officers of the Indian Posts and Telegraphs Department in respect of sums paid to them by Government as advances for the purchase of railway tickets.

(*e*) Receipts for amounts of emigrants'-money orders.

(*f*) Receipts for refund or repayment of deposits other than those covered by Article 11 (1) (*n*).

(*g*) Receipts on Acquittance Rolls of Establishments.

(*h*) Receipts drawn by the Accountant General or the Treasurer of Charitable Endowments on account of interest on Municipal or Port Trust debentures kept in his custody as ordinary Trust Funds or Charitable Endowments.

13. The following general instructions regarding the preparation and form of vouchers should also be observed :—

(*a*) Printed forms of vouchers in English should be adopted as much as possible ; but when, from any circumstance, a vernacular voucher is unavoidably necessary, a bi-lingual form should be used. A specimen which will serve as a general guide is given as Form 27 for deposit vouchers, and may be obtained from the local Accountant General.

(*b*) When the use of a purely vernacular account or voucher is unavoidable, a brief abstract should be endorsed in English under the signature of the preferring officer stating the amount, the name of the payee, and the nature of the payment.

(*c*) All vouchers must be filled in and signed in ink. The amount of each voucher should, as far as whole rupees are concerned, be written in words as well as in figures. The amount of annas and pies may always, however, be written in figures after the words stating the number of rupees, but in case of there being no annas or pies the word "only" should be inserted after the number of whole rupees and care should be taken to leave no space for interpolation as in the following examples—"Rupees twenty-six only" "Rupees twenty-five, 4|11."

(*d*) All corrections and alterations in the total of a voucher should be attested by the dated initials of the person signing the receipt as many times as such corrections and alterations are made ; any in the orders of payment must be attested in the same way by the Treasury Officer. No document bearing an erasure can be accepted, and payment of such

vouchers should be refused by the Treasury Officer and a fresh voucher called for. Corrections and alterations in orders of payment drawn by treasury officers on the Imperial Bank of India and its branches should be attested by their full signature.

(*e*) The correct head of classification should be recorded on each voucher by the drawing officer, the classification in the budget being taken as a guide. This classification should also show whether the expenditure is voted or non-voted.

(*f*) Charges against two major heads should not be included in one voucher, but the Treasury Officer will not take exception to a voucher on this ground unless the items require different action from him, such as entry in different registers. This order does not apply to the allowances of an officer, or of an establishment, as in such cases the whole of his allowances, even if belonging to two or more major heads of account, should be drawn on a single bill if they are chargeable wholly to Central or Provincial Revenues.

(*g*) Unless the local Government has expressly authorised it in the case of any specified office, no payment may be made on a voucher or order signed by a clerk instead of by the head of an office, although in the absence of the latter the clerk be in the habit of signing letters *for* him. Nor may any moneys be paid on a voucher or order signed with a stamp. When the signature on a voucher is given by a mark or seal or thumb impression, it should be attested by some known person. Vernacular signatures must always be transliterated.

1. The head of an office may authorise any gazetted officer serving under him to sign a bill, voucher, or order, *for* him, communicating the name and the specimen signature of the officer to the treasury. This will not, however, relieve the head of the office, in any way, of his responsibility for the accuracy of the bill or for the disposal of the money received in payment.

(*h*) Bills requiring *previous* countersignature should be returned unpaid if presented without such countersignature.

(*i*) When bills are presented on account of charges incurred under any special orders, the orders sanctioning the charge should be quoted. Copies of sanctions accompanying a bill must be duly certified by a responsible officer, not by a clerk.

(*j*) The authority under which deductions are made in a bill should be quoted.

(*k*) Dates of payment should when possible be noted by the payees in their acknowledgments in sub-vouchers, acquittance rolls, etc. If, for any reason, such as illiteracy on the presentation of receipts in anticipation of payment

under Article 9, it is not possible for the dates of payment to be noted by the payees, the dates of actual payment should be noted by disbursing officers on the documents under their initials, either separately for each payment or by groups as may be found convenient.

(*l*) When the drawing officer requires payment to be made through some other person, he must specifically endorse an order to pay to that specified person. A second or intermediate endorsement on a bill is not permissible.

(*m*) In cases in which the endorsement on a bill is unauthorised, incomplete, or otherwise irregular, Treasury Officer should refuse payment of the bill and return it to the person who presents it with a memorandum explaining why payment is refused.

(*n*) When payment is desired wholly or partly in Remittance Transfer Receipt, a formal application for Remittance Transfer Receipt should accompany the bill and the manner in which payment is desired should also be indicated in the drawer's receipt on the bill.

NOTE.—These instructions are intended primarily for bills and vouchers payable at treasuries but, as far as possible, they should also be observed in preparing vouchers for payments made departmentally.

14. A Treasury Officer must not honour a claim which on the face of it is disputable ; he will request the claimant to refer the question to the Accountant General (*vide* Treasury Order 17).

Nor may he undertake correspondence for an officer making a claim to any special allowance, but will request him to address the Accountant General either direct or through his own official superior.

15. It must be remembered that the Treasury Officer has to satisfy not only himself, but also the Account Department, that the claim is valid ; and has further to prove that the payee has actually received the sum charged. Careful attention must therefore be given to the rules regarding the completion of vouchers referred to in Article 13. The Treasury Officer must have sufficient information as to the nature of every payment he is making, and is without excuse if he accepts a voucher which does not formally record that information.

1. The Treasury Officer, before paying any bill of a Covenanted Civilian, must see that the deductions on account of the Indian Civil Service Provident Fund have been made.

2. Treasury Officers, when cashing bills for Survey Officers and others at a distance from the treasury, should furnish a note explaining the amount of cash and transfer receipts (if any) issued, and any deductions or alterations that may be made in the bill presented. The note should be in bi-lingual form, as it is important that the guard or messenger who receives the money should ascertain that the amount stated agrees with the actual cash or drafts delivered to him ; and, when that person is unable to read, the Treasury Officer should himself explain to him the amount entered on the note.

The following form is recommended :—

Bills presented for pay, etc. ..	..	..	000
Bills presented for contingencies	..	..	000
Bills presented for sundries ..	..	..	000
	TOTAL	..	000
Paid in cash	000		
Paid in draft	000		
	TOTAL	..	000
	†Deductions (if any)	..	

†[Explanation.]

Signature of Messenger———————

Treasury Officer.

3. Any deductions made by the Treasury Officer reducing the net amount claimed on a bill should be explained in a memorandum signed by the Treasury Officer to be given to the presenter.

Issue of Duplicates or Copies of Documents.

16. No Government officer may issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents for the payment of money which has already been paid, on the allegation that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day, a certain sum on a certain account, was received from or paid to a certain person. This prohibition extends only to the issue of duplicates on the allegation that the originals have been lost, and does not apply to cases in which, by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill or deposit repayment voucher passed for payment at a treasury but lost before encashment or payment, the officer who drew the original bill or voucher should ascertain from the treasury that payment has not been made on the original before he issues a duplicate, which should bear distinctly on its face the word "duplicate" written in red ink.

Responsibility for Overcharges.

17. The responsibility of drawers and payers of bills is thus stated in the Resolution introducing the present system of account (F. D. No. 2189, dated 20th April 1865, paragraph 34)—

The privilege of drawing pay abstracts or bills for salary, allowances, or contingent expenses will be restricted to responsible officers, and the drawer of the bill will be held answerable for any overcharge. The responsibility of the countersigning officer will be that which attaches to all controlling officers, and which brings them under liability to make good any loss arising from their culpable negligence. The Treasury Officer who makes payments without pre-audit will be responsible for checking any palpable errors, and (in the case of change of office, or of rate of salary of gazetted officers) for passing the new rate with reference to the orders directing the change. In short, the responsibility for an overcharge will rest primarily with the drawer of the bill, and (failing

recovery from him) the overcharge will be recovered from the Treasury Officer or the countersigning officer, only in the event of culpable negligence in either of them.

NOTE.—The Treasury Officer is required under the above ruling to examine the accuracy of the arithmetical computations in a bill.

Check of Charges.

18. Every charge comes up for audit or disposal by the Accountant General, who, if the charge is irregular or is in excess, proceeds to remove the irregularity or recover the excess through the Treasury Officer, usually, however, issuing a warning slip to the officer concerned ; and, if anything more is due (unless the amount be insignificant) informs the officer accordingly, leaving him to prefer the additional claim or not as he thinks proper. The extent to which charges should be audited is prescribed by the Auditor General.

Audit Objections and Recoveries.

18-A. Every Government servant must attend promptly to all objections and orders communicated to him by the Audit Officer.

19. Objections and orders which arise out of the examination by the Accountant General of the treasury accounts are communicated to the Treasury Officer by letters, audit memoranda, or periodical objection statements. To these the earliest attention should be given, and under standing orders, the Treasury Officer should return the objection statement or audit memorandum within a fortnight, or send a letter explaining the cause of delay.

NOTE.—The fact that some of the objections are still under reference is no reason for keeping back the statement. Such cases can be extracted for subsequent explanation.

20. When the Accountant General disallows a payment as unauthorised, the Treasury Officer is bound not only to recover the amount disallowed without listening to any objection or protest (*vide* Treasury Order 28), but to refuse to pay it in future till the Accountant General authorises the payment to be resumed ; that no warning slip has been received by the officer retrenched, or that, being received, it has been answered, are facts with which the Treasury Officer has no concern. And the Accountant General must remember that he is responsible for seeing that Treasury Officers carry out his instructions.

1. If an officer, from whom a recovery is ordered, has meantime been transferred to another district, the Treasury Officer should, without delay, pass on the order of recovery to the other treasury.

2. A Treasury Officer must not, when a retrenchment is ordered, enter into any correspondence with either the Accountant General or the Officer placed under retrenchment ; it is his duty simply and promptly to carry out the orders he has received, and to leave the person aggrieved to refer the case to Government through the proper channel.

3. Representations and protests against retrenchments ordered by the Accountant General will not ordinarily be considered by the administrative authorities if submitted later than three months from after the date of receipt of the intimation by the aggrieved officer. This provision does not remove from the Treasury Officer the duty of enforcing immediately recovery of a retrenchment order under rule 2 above.

4. Recoveries are not ordinarily made at a rate exceeding one-third of pay, unless the officer affected has, in receiving or taking the excess, acted contrary to orders or without due justification. For the purpose of this rule, " pay " includes Sterling Overseas Pay.

5. A register should be maintained at the treasury for recording all retrenchments ordered by the Account Office. It should contain columns specifying the name and office of the person from whom the recovery is to be effected, the nature and amount of the over-payment, and the method by which the over-payment has been adjusted.

6. If considered desirable, the recovery of a sum retrenched from a pay bill need only be made from the next pay bill, and of a sum retrenched from a travelling allowance bill, from the next payment of travelling allowances ; but retrenchments of travelling allowances must be recovered in cash or from pay bill when the officer concerned does not, within a month, present a travelling allowance claim from which they can be recovered.

Cheques.

21. Cheque books required by Disbursing Officers authorised to draw on treasuries and sub-treasuries, should be obtained by them direct from the head treasury concerned, cheque books required for use on the Imperial Bank of India, either at a local head office or a branch also being obtained from the Treasury Officers and not from the banks. The Treasury Officer will supply a cheque book only on receipt of the printed requisition form which is inserted in each book towards the end and never more than one cheque book on a single requisition. The requisition should be signed by the Disbursing Officer.

1. Cheques from books obtained from a particular treasury should not be drawn on other treasuries or sub-treasuries of other districts.

2. This article does not apply to officers of the non-civil departments named below who receive their supplies of cheque books departmentally :—Railways, Military and Indian Posts and Telegraphs Department.

22. A separate cheque book should be used for each head treasury or sub-treasury and the drawing officer should notify to the treasury or the bank upon which he draws, the number of the cheque book which from time to time he brings into use and the number of cheques it contains. Each cheque book must be kept under lock and key in the personal custody of the drawing officer, who, when relieved, should take a receipt for the correct number of cheques made over to the relieving officer. The loss of a cheque book or blank cheque forms should be notified promptly to the Treasury Officer with whom the disbursing officer concerned has a drawing account.

23. All cheques should have written across them in words, at right angles to the type, a sum a little in excess of that for which they are granted : thus " under thirty rupees " will mean that the cheque is for a sum not less than Rs. 20, but less than Rs. 30 ; and similarly " under eight hundred rupees " will mean that it is for less than Rs. 800, but not less than Rs. 700. No abbreviations such as " eleven hundred " for " one thousand one hundred " should be used. The amount should be written in the manner prescribed for vouchers in Article 13 (*c*). In drawing or cashing a cheque, it should be remembered that a common form of fraud consists in altering the word *one* into four by prefixing an *f* and changing the *e* into an *r*, the figure being easily altered to correspond. The word ***twenty***, if written carelessly, has also sometimes been changed into ***seventy***. The drawer of a cheque in which these words occur should

therefore so write as to make the fraud impossible and the treasury should examine the words and corresponding figures with special care.

NOTE 1.—The cross entry is not necessary if the amount in words is typed perforated by a special cheque writing machine.

NOTE 2.—All cheques should be written in Calcutta Stationery Office Registration ink obtainable from the Controller of Printing and Stationery.

NOTE 3.—Article 13 (*d*) applies *mutatis mutandis* to corrections and alterations in cheques.

23-A. (*a*) Cheques drawn in favour of Government officers and departments in settlement of Government dues should always be crossed " A|c payee only—not negotiable ".

(*b*) In the absence of a specific request to the contrary from the payee cheques drawn in favour of corporate bodies, firms or private persons should always be crossed. Subject to any instructions received from the payee, a cheque should be crossed " ..... & Co." with the addition of the words " Not negotiable " between the crossing. Where the payee is believed to have a banking account further precautions should be adopted where possible by crossing the cheque " specially " (instead of by the " general " crossing, " ..... & Co.") by quoting the name of the bank through which the payee will receive payment and by adding the words " A|c payee only, Not negotiable ". These instructions regarding the method of crossing of cheques are applicable in all cases where the use of crossed cheques is prescribed.

24. No advice of the issue of any cheque need be sent to the treasury. As a general rule, cheques should not be issued for a sum less than Rs. 10 unless this is permissible under the provisions of any law or rule having the force of law ; but cheques of the Military Department drawn for payment elsewhere than at the station where the military disbursing officer himself is located, may be for a sum not less than Re. 1. In the case of the Postal section of the Indian Posts and Telegraphs Department the lowest sum for which a cheque may be issued is Rs. 250. Cheques may, however, be drawn by the Audit Officer, Indian Stores Department for sums of Re. 1 and upwards for payment of bills at his headquarters and elsewhere. Cheques of the Military Department will be payable at any time within three months after the month of issue : thus, a cheque bearing date any time in January is payable at any time up to 30th April. All other cheques remain current for three months only counting from the date of issue.

25. When an officer is authorised to draw cheques on sub-treasuries, he should give notice to the Treasury Officer, from time to time, of the probable amount of his drawings on each sub-treasury in order that funds may be provided as far as possible. Cheques drawn on sub-treasuries should be distinguished by different numbers and letters from those drawn against the head treasury.

26. (*a*) Every cheque in favour of a Government officer must be made payable to order only ; but when the payee is not in Government employ, the drawer may, at his request, make the cheque payable to bearer. Treasury Officers will therefore cash cheques payable to " A. B.

or bearer", except when A. B. is a Government servant. If a cheque payable to a person not in Government employ " or bearer " or payable to such person or to such person " or order " is presented, the Treasury Officer may decline to pay it, if he is unable to satisfy himself of the identity of the person claiming payment, or, in the case of a cheque payable to order, of the completeness of the chain of endorsement, if any, by which such person has become the holder of the cheque.

(*b*) Ordinarily a cheque payable to order is not cashed by the Treasury Officer unless it is receipted by the payee himself or other person in whose favour it is regularly endorsed for payment. In special cases, when the head of an office is unable himself to receipt cheques payable to his order, owing to his being absent on tour or for other causes, and when he considers that strict compliance with the ordinary rule would cause inconvenience, he may specially authorise in writing a subordinate Gazetted Officer to endorse for him cheques drawn in his favour by his official designation.

1. Where sub-treasuries are in charge of Indian officials not acquainted with English, bi-lingual cheques should be used, and if these cheques are not used, the paying officer is responsible for calling attention to this rule.

2. When a public officer sends a cheque to a treasury not for cash payment, but for credit of its amount in the treasury accounts, he must, before endorsing the same, add the words " Received payment by transfer credit to————— ". Omission to do this facilitates fraudulent appropriation of money.

27. If a Disbursing Officer be informed that a cheque drawn by him has been lost, he may address the Treasury Officer drawn on, forwarding for signature a certificate in the following form.* If, after search through the lists of cheques paid, the Treasury Officer finds that the cheque has not been cashed, he will sign and return the certificate, taking care to note the stoppage of the cheque, a board showing the particulars of stopped cheques being hung up before the clerk concerned. If the original cheque be presented afterwards the Treasury Officer will refuse payment and return the cheque to the person presenting it after writing across it " Payment stopped." The Disbursing Officer will enter in his account the original cheque as cancelled, and may issue another.

*Certified that cheque No. , dated for ₹ reported by the (Disbursing Officer) to have been drawn by him on this treasury in favour of has not been paid, and will not be paid if presented hereafter.

—————Treasury.

The————————19 .

Treasury Officer.

28. If a cheque is issued by Government in payment of any sum due by Government and that cheque is honoured on presentation to Government's bankers, payment shall be deemed to be made—

(*a*) if the cheque is handed over to the payee or his authorised messenger, on the date it is so handed over, or

(*b*) if it is posted to the payee, on the date when the cover containing it is put into the post.

The rule applies *mutatis mutandis* to a cheque in payment of Government dues or in settlement of other transactions received and accepted in accordance with the provisions of Article 6.

NOTE.—Cheques marked as not payable before a certain date should not be charged to the accounts until the date on which they become payable.

Defalcations and Losses.

29. With the exceptions noted below, any defalcation or loss of public money, departmental revenue or receipts, stamps, opium, stores, or other property, discovered in a Government treasury or other office or department, which is under the audit of the Accountant General, should be immediately reported to the Accountant General, even when such loss has been made good by the person responsible for it. It will usually be sufficient if the officer reporting the defalcation or loss to higher authority sends to the Accountant General either a copy of his report or such relevant extracts from it as are sufficient to explain the exact nature of the defalcation or loss and the circumstances which made it possible. When the matter has been fully investigated, a further and complete report should be submitted of the nature and extent of the loss, showing the errors or neglect of rules by which such loss was rendered possible, and the prospects of effecting a recovery. The submission of such report does not debar the local authorities from taking any further action which may be deemed necessary.

Exception 1.—In the case of Customs Revenue, (*a*) mistakes in assessments which are discovered too late to permit of a supplementary claim being made and (*b*) under-assessments which are due to the interpretation of the law by the local Customs authority being overruled by higher authority more than three months after the assessment was made need not be reported to the Audit Officer. Such cases should, however, be examined by the Audit Officer at the time of audit.

Exception 2.—Petty cases, that is, cases involving losses not exceeding Rs. 200 each, need not be reported to the Accountant General unless there are, in any case, important features which merit detailed investigation and consideration.

NOTE 1.—Losses or deficiencies concerning buildings, lands, stores and equipment should be written off any value or commercial account that may be maintained.

NOTE 2.—In the case of departments where accounts have been separated from audit, a special procedure for report of losses to Accounts and Audit Officers may be prescribed by departmental authority after consultation with the Auditor General.

Remissions of and Abandonments of Claims to Revenue.

29-A. Heads of departments should submit annually to the Principal Auditors concerned statements showing the extra-statutory remissions of revenue and abandonments of claims to revenue sanctioned during the preceding year. For inclusion in these statements, remissions and abandonments should be classified broadly with reference to the grounds on which they were sanctioned, and a total figure should be given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class.

NOTE 1.—The expression 'extra-statutory remissions' used in this Article means remissions in cases in which the authorities concerned see fit or feel compelled for good reasons to refrain from enforcing the law.

NOTE 2.—A local Government may make rules defining remissions and abandonments of revenue for the purpose of this rule, and may, after consultation with its Public Accounts Committee, fix monetary limits below which individual remissions need not be included in the statements.

NOTE 3.—Where the administrative year does not coincide with the financial year, the figures of the former may, if this prove convenient to the departmental authorities, be given in the statements.

NOTE 4.—This rule does not apply to Railways and Posts and Telegraphs Departments.

Erasures.

30. Erasures and over-writings in any account, register, schedule, or cash book are absolutely forbidden ; if any correction be necessary, the incorrect entry should be cancelled neatly in red ink, and the correct entry inserted. Each such correction, or any interpolation deemed necessary should be authenticated by the head of the office setting his dated initials against each. Special care should be taken by the Treasury Officer as regards all vouchers and accounts showing signs of alteration ; and if such documents be frequently received from any office, the attention of the head of the office should be formally drawn to the irregularity. [See Article 13 (*d*).]

Forest and Public Works Expenditure.

31. When officers of other Civil Departments are authorised to incur charges on account of the Forest Department, they will do so as Forest Disbursers. They can, therefore, obtain funds from the treasury for such expenditure in the manner laid down in the Forest Account Code.

32. Similarly, when an officer of another Civil Department is authorised to incur charges on account of the Public Works Department against the grant for " Public Works ", he will do so as a Public Works disburser. He will obtain funds for such expenditure in one of the ways prescribed in the Public Works Account Code for the purpose, and pay the receipts realised into the treasury, and render accounts of receipts and expenditure in the manner laid down in that Code.

1. This rule is not applicable to charges for construction (petty) and repair which are adjusted by the Accountant General against the budget grants of the departments concerned ; *vide* Appendix 5, Ruling 3.

33. *Deleted.*

Adjustments between Governments.

33-A. (1) The Government of India and the local Governments of Governors' provinces and the local Government of Coorg are considered to be separate Governments for the purpose of this Article and the transactions under the local Governments directly under the Government of India (*e.g.*, those of Baluchistan, Delhi, etc.), and the Central transactions under the other local Governments are considered to be transactions of the Government of India.

(2) In the case of transactions concerning two Governments :—

(*a*) Adjustments shall always be made in accordance with the rules in Appendix 6 if a Commercial Department or a regularly organised stores section of a department is concerned.

(*b*) If under the ordinary operation of the rules in Appendix 6, adjustment would be made if the departments were under a single Government, a similar adjustment shall be made between the two Governments unless they agree to the contrary.

(*c*) In all other cases an adjustment will be made by mutual agreement between the parties concerned or under the orders of the Secretary of State in Council if the Government of India is one of the parties or of the Governor General in Council if the parties concerned are local Governments.

(3) The leave salary and pensions of officers will be adjusted in accordance with the orders of the Secretary of State on the subject unless the Governments concerned agree to some other method of adjustment.

Destruction of Accounts Records.

33-B. The rules regarding the destruction of accounts records appertaining to the accounts audited by the Indian Audit Department are contained in Appendix 8-D to this Code.

ANNEXURE A.

[Referred to in Article 8, Note to clause (*b*).]

1. Assam-Bengal Railway.
2. Madras and Southern Mahratta Railway.
3. East Indian Railway.
4. Morvi Railway.
5. Burma Railways.
6. Bombay, Baroda and Central India Railway.
7. Jodhpur-Bikaner Railway.
8. Udaipur-Chitore Railway.
9. Dholpur-Bari Railway.
10. Rohilkund and Kumaon Railway.
11. South Indian Railway.
12. Howrah-Amta Light Railway.
13. Cutch State Railway.
14. Jorhat Provincial Railway.
15. Dibru-Sadiya Railway.
16. Tezpur-Balipara Railway.
17. Bengal Provincial Railway.
18. Bengal and North-Western Railway.
19. Deoghur Railway.
20. Darjeeling-Himalayan Railway.
21. Barsi Light Railway.
22. Bengal Dooars Railway.
23. Bhavnagar-Gondal-Junagad-Porbandar Railway.
24. North Western Railway.
25. *Deleted.*
26. Eastern Bengal Railway.
27. Bengal Nagpur Railway.
28. Great Indian Peninsula Railway.
29. Nizam's Guaranteed State Railway.
30. Baraset-Basirhat Light Railway.
31. Bukhtiarpur-Behar Light Railway.
32. Shahdara (Delhi)-Saharanpur Light Railway.
33. Howrah-Sheakhala Light Railway.
34. Mysore Railways.